



State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

6 Hazen Drive, P.O. Box 95, Concord, NH 03302-0095
(603) 271-1370 FAX (603) 271-1381



January 22, 2003

Mr. Jason Cousens
Plant Manager
Yield House Industries, Inc.
71 Hobbs Street
P.O. Box 2525
Conway, New Hampshire 03818-2525

CERTIFIED MAIL (7099 3400 0003 0687 2028)
RETURN RECEIPT REQUESTED

LETTER OF DEFICIENCY
ARD No. 2002-007

ADMINISTRATIVELY CLOSED

Dear Mr. Cousens:

The New Hampshire Department of Environmental Services, Air Resources Division ("DES") performed a compliance inspection on March 26, 2002 at Yield House, Inc. located at 71 Hobbs Street in Conway, NH ("Yield House"). The purpose of the inspection was to evaluate Yield House's compliance status with the State Permit to Operate, FP-S-0053 ("the Permit") issued on April 17, 1998, and the NH Admin. Rules Env-A 100 *et seq.*

As a result of the inspection and subsequent file review, this Letter of Deficiency ("LOD") is being sent to Yield House to identify the following deficiencies:

1. Condition VIII. Malfunction of the Permit requires Yield House to notify DES following any failure of air pollution control equipment, which results in an increase in emissions above any allowable emission limit stated in the Permit. Based upon information obtained during the inspection and subsequent information provided by Yield House, DES understands that the Eisenmann Concentrator Wheel and VOC incinerator ("the Control Device") failed on June 6, 2001 and was reported to DES on April 3, 2002. Yield House did not notify DES of the Control Device failure within the time frame specified in Condition VIII. of the Permit;
2. Condition VI. A. Pollution Control Equipment of the Permit requires Yield House to direct the exhaust from the stain spray booth, lacquer spray booth, and sealer spray booth to the Control Device via a permanent total enclosure. Based upon information obtained during the inspection and subsequent information provided by Yield House, DES understands that the Control Device was shutdown from June 6, 2001 to October 9, 2001. DES also understands that the Control Device was shutdown again on October 17, 2001 and is still not operational. Lastly, DES understands that Yield House conducted spraying operations while the Control Device was shutdown;
3. Condition V. Volatile Organic Compounds ("VOC") Reasonably Available Control Technology ("RACT") Requirements of the Permit and Env-A 1204.17 require Yield House to use coatings that comply with the VOC limitations of the rule or install a control system that results in emissions to the atmosphere that do not exceed the non-exempt VOC limits.

As stated in Paragraph 2 above, during the March 26, 2002 inspection, DES determined that the Control Device was not being operated during spraying operations. Further, as stated in the letter from Yield House received by DES on April 3, 2002, coatings with VOC content greater than the limits specified in Env-A 1204.17(c) were used while the Control Device was shutdown. These emissions were vented uncontrolled to the ambient air, which resulted in excess emissions;

4. NH Admin. Rules, Env-A 1406.01 require Yield House to demonstrate compliance with Env-A 1400 by May 8, 2001, following one of the methods specified in Env-A 1404.01(c). Further, Env-A 1400 requires this information to be retained on site and made available to DES upon inspection. During the March 26, 2002 inspection, DES determined that Yield House did not have documentation demonstrating compliance with Env-A 1400;

5. Condition XI. Recordkeeping and Reporting Requirements of the Permit and Env-A 907.01 require the owner or operator of any stationary source, area source or device subject to Env-A 600 to submit an annual emissions report by April 15th for the previous calendar year emissions. Yield House must include in its annual emissions report those items listed in Conditions XI.C.i. through XI.C.iv. of the Permit and an operating schedule summary for each spray booth, including days per calendar week during the normal operating schedule, hours per day during the normal operating schedule and for a typical ozone season day, if different from the normal operating schedule, and hours per year during the normal operating schedule. Yield House submitted the calendar year 2000 emissions report on April 3, 2002; and

6. Condition X. Emission-Based Fee Requirements of the Permit and Env-A 704.01 require Yield House to annually pay emission-based fees for all permitted devices. In accordance with Env-A 704.01, fees for each calendar year are due by October 15th for the previous calendar year emissions. Yield House has not paid fees for calendar year 2000 which were due October 15, 2001. On September 27, 2002, DES received payment for calendar year 2000 emissions.

DES believes that the above referenced deficiencies can be resolved if Yield House takes the following actions:

7. Within 45 days of issuance of this LOD, submit a plan which describes the steps Yield House will take to comply with Condition V. or Condition VI. A. of the Permit. If Yield House believes that the Permit does not accurately reflect current or future operating conditions (for example a plan to comply without the Control Device) then Yield House should submit a request to amend its Permit. If Yield House plans to continue to operate without the Control Device then the request should propose alternative methods to comply with RACT, such as purchasing emission credits or limiting operations. In addition, Yield House should include the actions that it will take to ensure that malfunction reports will be submitted to DES in accordance with Condition VIII. of the Permit;

8. Within 45 days of issuance of this LOD, submit to DES the results of the compliance determination as required by Env-A 1400 by following one of the methods specified in Env-A 1406.01. If the compliance determination shows that Yield House's emissions exceed any of the AALs listed in Env-A 1450, then with the results of the compliance determination, submit a compliance plan identifying how and when Yield House will achieve compliance with Env-A 1400. Please note that the compliance determination should use either permitted production levels, or contain a request for alternative permit limits that demonstrate compliance; and

9. Within 45 days of issuance of this LOD, submit to DES an inventory of Yield House's excess emissions for calendar year 2001 and calendar year 2002. The reports should include example calculations and the data used to calculate Yield House's excess emissions. In addition, please submit to DES the calendar year 2002 emissions inventory report.

The conditions in the Permit are valid until such time that Yield House requests and receives an amended permit from DES. Therefore, if operations at Yield House have changed, it is Yield House's responsibility to submit information to DES requesting an amendment to the Permit. Until such time that the permit is amended, Yield House will continue to be in violation of the Permit if the VOC content of the coatings exceeds the RACT limitations in Env-A 1204.17(c) and uncontrolled emissions are directed to the ambient air.

In the event that Yield House fails to comply with the conditions above and within the time periods indicated, DES may initiate further action against Yield House including issuing an order requiring the deficiencies to be corrected, and/or referring this matter to the NH Department of Justice for imposition of civil and/or criminal penalties. In addition, DES believes that additional enforcement is appropriate for the deficiencies listed above. DES will be contacting Yield House to discuss the actions necessary to mitigate the deficiencies.

Please address all information to Mike O'Brien, at the following address:

NHDES Air Resources Division
Compliance Bureau
6 Hazen Drive
P.O. Box 95
Concord, NH 03302-0095

It is the goal of DES to promote the prevention of pollution at the source as the preferred option for meeting established environmental goals. DES strives to ensure that pollution prevention options are considered first, followed by recycling, treatment and disposal. In the event that Yield House has any questions about pollution prevention, please feel free to contact Stephanie D'Agostino at (603) 271-6398.

Please be advised that DES will continue to monitor Yield House's compliance status and that this letter does not provide relief against any other existing or future deficiencies.

It is important that Yield House be aware of all the requirements in its Permit. In accordance with Env-A 608.10, *Permit Renewal*, applications to renew State Permits to Operate are due to DES 90 days prior to the expiration date of an existing permit. Yield House's permit, FP-S-0053, expires April 30, 2003. Therefore, the renewal application is due to DES on or before January 31, 2003. Further, please note that emissions inventory reports are due to DES by April 15, 2003 and emissions-based fees are due by October 15, 2003.

Please feel free to contact DES should you have any questions regarding compliance with the N.H. Code of Administrative Rules Env-A 100 *et seq.*, and the requirements of the Permit. DES is available to meet with Yield House to discuss these deficiencies and those options available to Yield House to ensure that Yield House achieves and maintains compliance. A current copy of the rules can be obtained from the DES website at www.des.state.nh.us/ard/ardrules.htm, or by contacting the Public Information Center at (603) 271-2975. If you have any questions regarding this matter, please contact Mike O'Brien at (603) 271-0872 or Mary Ruel at (603) 271-6795.

Sincerely,



Pamela G. Monroe
Compliance Bureau Administrator,
Air Resources Division

PGM/mob

R. Scott, Chief Air Programs Mgr, NHDES-ARD
G. Rule, Legal Unit
S. D'Agostino, NHDES Pollution Prevention Coordinator
R. Kurowski, EPA Region I
G. Webster, Selectman, City of Conway
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